

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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JAN - 5 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Application of WorldCom, Inc. and  
MCI Communications Corporation for  
Special Authority To Transfer Control  
of MCI Communications Corporation  
to WorldCom, Inc.

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CC Docket No. 97-211

TO THE COMMISSION

**PETITION TO DENY**

TMB Communications, Inc. ("TMB"), through its counsel and pursuant to Sections 208(a), 214(d), and 309(d)(1) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 208(a), 214(d), and 309(d)(1), and Sections 63.52(c) and 73.3584 of the Commission's Rules, 47 C.F.R. §§ 63.52(c) and 73.3584, respectfully requests that the Commission deny the above-referenced application of WorldCom, Inc. ("WorldCom") and MCI Communications Corporation ("MCI"). The challenged application is identified more specifically in the Public Notice, "WorldCom, Inc. and MCI Communications Corporation Seek FCC Consent for Proposed Merger," DA 97-2494, released November 25, 1997 (hereinafter the "Application").

TMB objects on the grounds that the proposed merger will not serve the public interest, convenience, or necessity. As demonstrated below, MCI has engaged in a pernicious course of conduct against TMB, a minority-owned business, and its conduct raises a substantial question whether the proposed merger complies with the Commission's rules, regulations, and policies. Consequently, the Commission should deny the Application or designate it for evidentiary hearing.

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## **FACTUAL BACKGROUND**

As set forth in the Affidavit of Frank Mitchell, attached as Exhibit A hereto, TMB is a communications company, the president of which is Frank Mitchell. TMB was an authorized agent of MCI for the resale of MCI services. While TMB was acting as MCI's authorized agent, MCI subjected TMB to a pattern of treacherous and duplicitous business practices. For example, MCI improperly diverted customer commission revenue owed TMB, resulting from the common carrier's misrepresentation, fraud and deceit. Also, MCI engaged in conduct designed to solicit and steal TMB customers. Moreover, MCI employed a pattern and practice of imposing systems, rules and procedures that deliberately withheld the commissions owed to TMB, and a pattern and practice of offering credits, discounts, special incentives and other inducements to TMB customers to gain their collaboration in the improper diversion of TMB commissions.

In addition, MCI intentionally mishandled customer support for TMB's customers by delivering poor quality service to TMB customers in an effort to drive them away from TMB, only to be re-signed to MCI directly. In particular, MCI processed TMB customer orders extremely late, thereby putting TMB at a competitive disadvantage in the marketplace. Moreover, MCI failed to report intermediary revenue or to pay commissions that were owed to TMB that resulted from MCI's processing delay. MCI also caused many TMB customers to lose discounts and program benefits as a result of MCI's processing delay and installation errors. Similarly, MCI often erroneously accounted for, reported, paid and reconciled commissions owed to TMB. Specifically, MCI failed to account for revenues generated from TMB customers; produced inaccurate and misleading commission reports and failed to disclose the deductions made to TMB revenue, thereby enabling MCI to improperly deduct items such as customer taxes.

In addition to the unfair and discriminatory manner in which MCI treated TMB, MCI has applied economic coercion and set up an obstacle course of procedures, rules, and requirements for engaging in alternative dispute resolution that make it virtually impossible for TMB, as a small business, to achieve due process. For example, MCI demanded that TMB do business only with MCI; held back the competitive products from TMB that the reseller needed to preserve its customer base; imposed economic penalties on TMB for not achieving revenue levels that MCI impeded through its lack of performance and through its theft and diversion of TMB revenue; and repeatedly withheld payment to TMB, thereby causing severe harm to TMB's business.

After treating TMB unfairly and discriminatorily as described above, and refusing to take sufficient corrective action, MCI unfairly and wrongfully terminated TMB's contract for service in June 1996. The parties have since engaged in negotiations to resolve this dispute, but to date have not resolved the matter. In July 1997 an informal complaint was initiated on behalf of TMB, IC 97-17990 (Congteam). The Official Notice of Informal Complaint is attached as Exhibit B hereto. The matter was closed in August 1997 due to the ongoing negotiations between the parties. No resolution of the matter has been reached after more than a year of discussions.

### **JURISDICTION**

The Commission has personal jurisdiction over the applicants pursuant to 47 U.S.C. §§ 214(a), 307, 308, and 309. It has subject matter jurisdiction over the allegations in this Petition to Deny pursuant to 47 U.S.C. §§ 202(a), 214(a), 215(a), 215(c), 254(b), 257, 303(f), 303(g), 307(a), and 307(c).

As demonstrated below, this Petition to Deny is proper under Section 309(d)(1). TMB, a former authorized agent of MCI, is a party in interest because it has an economic interest in the outcome of the merger, and because it has been (and continues to be) affected by MCI's unfair

and discriminatory conduct. See generally, American Legal Foundation v. FCC, 808 F.2d 83 (D.C. Cir. 1987); United Church of Christ v. FCC, 359 F.2d 994 (D.C. Cir. 1966); Petition for Rulemaking To Establish Standards for Determining the Standing of a Party to Petition to Deny a Broadcast Application, 82 FCC2d 89 (1980). It has standing to file this Petition to Deny against a common carrier such as MCI. See Metro Mobile CTS, Inc., 8 FCC Rcd 8675 (1993).

As set forth more fully in the following section, TMB has shown by specific allegations of fact that a grant of the WorldCom/MCI Application would be *prima facie* inconsistent with the public interest, convenience and necessity. See 47 U.S.C.A. § 309(d) (Supp. 1997). The attached Affidavit of Frank Mitchell (Exhibit A hereto) in support of the Petition to Deny satisfies the requirements for declarations set forth in 47 U.S.C.A. § 309(d)(1) and 47 C.F.R. § 1.16. Numerous other exhibits offer additional evidence of the allegations set forth herein and demonstrate the gravity of this matter. Accordingly, the Commission should grant the Petition to Deny or set the Application for hearing.

## **ARGUMENT**

### **I. The Merger Would Not Serve The Public Interest, Convenience, and Necessity**

As a party seeking special authority for a proposed transaction, MCI (along with WorldCom) bears the burden of demonstrating that the proposed transaction serves the public interest. WAIT Radio v. FCC, 418 F.2d 1153, 1157-58 (D.C. Cir. 1969), cert. denied, 409 U.S. 1027 (1972); see also, NYNEX Corporation and Bell Atlantic Corporation (MO&O), FCC 97-286 (released August 14, 1997), at 2 ¶ 2. MCI's conduct, in particular its treatment of TMB, demonstrates that the proposed merger will not serve the public interest.

MCI's course of conduct toward TMB specifically and other small business in general has consisted of a pattern of unfair and discriminatory practices. What should have been a

mutually beneficial contractual relationship instead became a matter of economic detriment and discrimination against TMB. MCI's treatment of TMB exemplifies its conduct toward minority-owned business. (See December 12, 1997 letter from the Reverend Jesse L. Jackson, Sr., attached as Exhibit C hereto, at 1). MCI's pattern of behavior, highlighted by abuse, unfairness, exploitation, duplicity, and unwillingness to correct the problems that TMB repeatedly brought to its attention, indicates its total lack of regard for small businesses and evinces MCI's flagrant disregard for the principles embodied in the Telecommunications Act of 1996 and other Commission regulations. The facts and circumstances underlying MCI's treatment of TMB must be viewed in the broader context of how MCI treats small businesses in general. TMB's experience is that of many resellers and other small businesses that have contracted with MCI, and the pattern those combined experiences reveal is not one that the Commission should allow to flourish by granting the Application.

In fact, MCI's behavior has been so egregious that it has prompted action by various prominent politicians. Senator Bob Graham, upon learning of the situation, asked former Commission Chairman Reed Hundt to intervene. (See Exhibit D hereto). Representative John Mica did the same. (See Exhibit E hereto). Representative Corrine Brown deemed this situation to be an "important matter" requiring investigation by the Commission. (See Exhibit F hereto). Similarly, Representative Edolphus Towns characterized TMB's allegations as "quite serious" and reminded MCI of its obligation under the Telecommunications Act of 1996 to "enfranchise small businesses and minorities," observing that these allegations, if true, reveal that "MCI's corporate behavior has militated against the intent of the Act." (See Exhibit G hereto). The Reverend Jesse L. Jackson, Sr. found the matter to be of such importance that he wrote to Chairman William Kennard, Joel Klein, Chief of the Antitrust Division of the U.S. Department

of Justice, Bill Nann Lee, Acting Chief of the Civil Rights Division of the U.S. Department of Justice, Bernard Ebbers, Chairman and CEO of WorldCom, and Bert C. Roberts, Chairman and CEO of MCI. (See Exhibits C and H hereto).

Shareholders of MCI have also been alarmed by MCI's conduct. In fact, W. Scott Klinger, an investment officer at United States Trust Company, Boston, wrote to the Chairman of MCI decrying its conduct in this situation. (See Exhibit I hereto). United States Trust Company owns in excess of 70,000 shares of MCI common stock. Mr. Klinger went so far as to ask whether MCI had "strayed so far from its roots that it cannot nurture its own small business partners so that they might hope one day to grow into successful larger businesses?" (See Exhibit I). Apparently MCI has done just that.

MCI's behavior is wholly inconsistent with that expected of Commission licensees and will not serve the public interest. The costs of MCI's unfair treatment greatly outweigh any perceived benefit to the public that the Application might suggest. Therefore, the Commission should deny the Application. See NYNEX Corporation at 3 ¶ 2.

The merger fails to serve the public interest because the seller is able to reap tremendous financial gain in a transfer due, in part, to its agents being treated in an unfair and discriminatory manner. That type of treatment defeats the Commission's goals of promoting economic competition and diversity, and unfairly rewards a wrongdoer. Amendment of Section 73.3555, 4 FCC Rcd 1741, 1742, modified on reconsideration, 4 FCC Rcd 1489 (1989). MCI's outright abuse of small and minority businesses also demonstrates that the proposed merger will thwart the Commission's goal of reducing the barriers to entry facing small businesses, and harm the public interest thereby.

For the reasons set forth above, TMB has established substantial and material questions of fact regarding the merger's potential for harming the public interest. As set forth in Section 309(d), that is all it needs to do in support of this Petition to Deny, and it need do no more. See 47 U.S.C.A. § 309(d); Citizens for Jazz on WRVR, Inc. v. FCC, 775 F.2d 392 (D.C. Cir. 1975). Accordingly, TMB has carried its burden in this Petition to Deny, and the Commission should grant the relief sought herein.

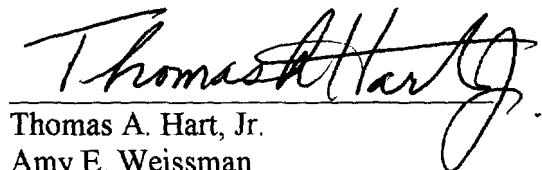
### **CONCLUSION**

MCI has engaged in unfair, discriminatory behavior that casts serious doubt on the ability of the proposed merger to serve the Commission's goals and satisfy governing rules, regulations, and policies. Therefore, the Commission should designate the Application for hearing and deny the Application.

Respectfully submitted,

TMB Communications, Inc.

By:



Thomas A. Hart, Jr.

Amy E. Weissman

M. Tamber Christian

GINSBURG, FELDMAN AND BRESS,

CHARTERED

1250 Connecticut Avenue N.W.

Washington, D.C. 20036

202-637-9000

Dated: January 5, 1998

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## **EXHIBIT A**



Page 2 of 2

P. 02

**AFFIDAVIT OF FRANK MITCHELL  
PRESIDENT, TMB COMMUNICATIONS, INC.**

1. Frank Mitchell, do hereby certify under penalty of perjury that the following statements are true and correct to the best of my information, knowledge and belief:

1. I am President of TMB Communications, Inc. ("TMB"), a former authorized agent of MCI Communications ("MCI").

2. In June 1996, MCI unfairly and wrongfully terminated TMB's contract for service.

3. While TMB was an authorized agent of MCI, TMB experienced a pattern of treacherous and duplicitous business practices conducted by MCI, including:

a. The improper diversion of TMB customer commission revenue owed TMB, resulting from MCI's misrepresentation, fraud and deceit;

b. A related and continuous pattern and practice of the solicitation and theft of TMB customers;

c. A pattern and practice of imposing systems, rules and procedures that deliberately misrepresented the commissions owed to TMB; and

d. A pattern and practice of offering credits, discounts, special incentives and other inducements to TMB customers to gain their collaboration in the improper diversion of TMB commissions.

4. MCI also mishandled customer support for TMB's customers through a practice of denying and intentionally delivering subquality service to TMB customers, which included:

a. Processing TMB customer orders extremely late, thereby putting TMB at a competitive disadvantage in the marketplace;

b. Failing to report intermediary revenue or to pay commissions that were owed to TMB that resulted from MCI's processing delay; and

c. Causing many TMB customers to lose discounts and program benefits as a result of MCI's processing delay and installation errors.

5. MCI continuously inadequately accounted for, reported, paid and reconciled commissions owed to TMB by failing to account for revenues generated from TMB customers; producing inaccurate and misleading commission reports; misrepresenting the commissions owed to TMB, including instances in which MCI admitted it was in error; and by failing to disclose the deductions made to TMB revenue, thereby enabling MCI to improperly deduct items such as customer taxes.

Affidavit of Frank Mitchell  
President, TMB Communications, Inc.  
Page 2

6. MCI has applied economic coercion and has set up an obstacle course of procedures, rules and requirements for engaging in alternative dispute resolution that make it virtually impossible for TMB, as a small business, to achieve due process. Examples of such coercion include:

- a. Demanding that TMB only do business with MCI;
- b. Holding back the competitive products from TMB that TMB needed to preserve its customer base;
- c. Imposing economic penalties on TMB for not achieving revenue levels that MCI impeded through its lack of performance and through its theft and diversion of TMB revenue; and
- d. Repeatedly withholding payment to TMB, thereby causing severe harm to TMB's business and impeding TMB's ability to adequately pursue claims against MCI.

7. MCI's tariff and arbitration requirements also impose a barrier on TMB, or any other agent seeking to engage in alternative dispute resolution with MCI, by imposing excessive fees on any agent seeking to have its claim heard.

8. I have carefully reviewed, and I hereby subscribe to, the attached Petition to Deny of TMB Communications, Inc. The facts stated therein are true to my personal knowledge except where identified as being based upon other official records or exhibits to the Petition.

By: 

Frank Mitchell, President  
TMB Communications, Inc.

Date: 1/5/98

FL DL M324-254-48-210-0

On this 5<sup>th</sup> day of January, 1998, before me, the subscriber, a Notary Public in and for the jurisdiction of Seminole Co, Florida, personally came FRANCIS D. MITCHELL III known to me to be the individual who executed the foregoing and being duly sworn acknowledged the same to be his free act and deed.

WITNESS my hand and Notarial Seal.

  
Notary Public  
My commission expires:



Linda Ames  
My Commission CC635111  
Expires April 13, 2001

## **EXHIBIT B**

UNITED STATES GOVERNMENT  
FEDERAL COMMUNICATIONS COMMISSION  
COMMON CARRIER BUREAU  
ENFORCEMENT DIVISION  
CONSUMER PROTECTION BRANCH  
MAIL CODE 1600A2  
WASHINGTON, D.C. 20554

OFFICIAL FILE COPY	187
COPIED/ASSEMBLED:	(Date/Initial)
FINAL REVIEW:	7/7/97 mab (Date/Initial)

OFFICIAL

NOTICE OF INFORMAL COMPLAINT

DATE: JUL 7 1997

**YOUR COMPANY IS REQUIRED TO RESPOND TO THIS NOTICE OF INFORMAL COMPLAINT (NOTICE) WITHIN THE TIME PERIOD SPECIFIED BELOW.** Failure of any person to answer any lawful Commission inquiry is considered a misdemeanor punishable by a fine under Section 409(m) of the Communications Act (Act), 47 U.S.C. § 409(m). Further, failure to comply with any order of the Commission can result in prosecution under Section 401(b) of the Act, 47 U.S.C. § 401(b). Section 501 of the Act, 47 U.S.C. § 501, and Section 503(b)(1)(B) of the Act, 47 U.S.C. § 503(b)(1)(B), provide for forfeiture penalties against any person who willfully fails to follow the directives of the Act or of a Commission order. The Commission can impose forfeiture penalties of up to \$1 million for certain types of violations.

TO:

MCI Telecommunications Corporation  
1801 Pennsylvania Avenue, N.W.  
Room 414-C  
Washington, DC 20006

Attn: Dale Dixon, Manager  
Federal Regulatory

The enclosed informal complaint(s) has been filed with the Commission pursuant to Section 208 of the Act, 47 U.S.C. § 208, and Section 1.711 of the Commission's Rules, 47 C.F.R. § 1.711. A letter acknowledging your company's receipt of this Notice and of the enclosed complaint(s) should be sent to each complainant listed below as soon as your company receives this Notice.

Pursuant to Sections 208 and 4(i) of the Act, we are forwarding a copy of the complaint(s) so that your company may satisfy or answer the complaint based on a thorough review of all relevant records and other information. Your company should respond specifically to all material allegations raised in each complaint and summarize the actions taken by your company to satisfy the complaint. Each response should also include a subject line specifying: (1) the complainant's name; (2) the Branch's IC file number for the complaint; (3) the Branch's team name (Incoming, Congressional, or Closeout) in parenthesis after the IC number; and (4) the date of this Notice.

Your company's response to each complaint must be filed with the Commission in writing

NOTICE OF INFORMAL COMPLAINT

TO:

2.

MCI Telecommunications Corporation

within THIRTY DAYS of the date of this Notice. The response should be sent to the above address. A separate response should be filed for each complaint. Your company is directed to send a copy of its response to each appropriate complainant at the same time the response is forwarded to the Commission.

Your company is directed to retain all records which may be relevant to the complaint(s) until final Commission disposition of the complaint.

IC Number(s)

Complainant(s)

IC-97-17990 (Congteam )

TMB Communications, Inc.

Sincerely,



Consumer Protection Branch  
Enforcement Division  
Common Carrier Bureau

Enclosure(s)

## **EXHIBIT C**



National Office

930 East 50th Street • Chicago, Illinois 60615 • Phone: 773-373-3366 • Fax: 773-373-3571

Washington, DC Bureau

1002 Wisconsin Avenue, NW • Washington, DC 20007 • Phone: 202-333-5270 • Fax: 202-728-119

Wall Street Bureau

40 Wall Street, Suite 429 • New York, New York 10005 • Phone: 212-425-7874 • Fax: 212-968-1412

December 12, 1997

Mr. Bernard Ebbers  
Chairman and CEO  
WorldCom, Inc.  
515 East Amite Street  
Jackson, Mississippi 39201  
by fax to (601) 360-8616

Mr. Bert C. Roberts  
Chairman and CEO  
MCI Communications Corporation  
1801 Pennsylvania Avenue N.W.  
Washington, D.C. 20006  
by fax to (202) 887-2178

Gentlemen:

I write to request a meeting with you, at the earliest possible date, to review several questions which have arisen in our review of the proposed WorldCom/MCI merger. Our review raises serious issues about whether the merger will comply with the communications, antitrust and equal opportunity laws, and whether a merger of this type is good for America.

The merger application does not contain a word addressing how the merged company will eliminate discrimination and promote fair trade. We do not yet perceive how the FCC can fulfill the Telecommunications Act's requirement that it make an affirmative determination that approval of the merger would serve the public interest. Nor is it clear to us how the Antitrust Division of the Justice Department can render a finding that the merger will promote competition for low and middle income residential customers.

The Rainbow/PUSH Coalition recognizes that those who plan large mergers often fail to identify profitable business opportunities in minority communities. Voluntary and aggressive programs to develop the business potential in Black and Brown America are critical to the long term economic success of all companies. Long term strategic planning typically occurs upon the occasion of a merger, making this the most appropriate time to ask whether the company is doing all it can to realize the economic potential of all sectors of the population.

Executive Committee

Rev. Willie T. Barrow, Co-Chair of Board of Trustees • Angela Jordan Davis, Co-Chair of Board of Trustees

Bernard Ebbers  
Bert C. Roberts  
December 12, 1997  
Page Two.

I intend to be eminently fair with you as we confront these issues, and I hope that in principle you share many of our goals. We seek:

1. the full participation of people of color in the governance and senior decisionmaking management of the merged company;
2. an aggressive campaign to enable people of color to break through the glass ceiling and develop long lasting careers, thereby enabling the merged company to establish a reputation as an attractive place for all talented people to work;
3. a marketing and business development program, using minority owned advertising agencies and media, to ensure that the merged company aggressively seeks out low income, middle income and minority long distance customers
4. a mechanism to prevent redlining when the merged company enters the local exchange business;
5. trade relationships between the merged company and entrepreneurs and suppliers of color at a level commensurate with the merged company's status as one of the two principal economic engines driving the long distance and Internet businesses;
6. sizeable investments in entrepreneurs of color; and
7. fair dealing with entrepreneurs of color with whom you enter into contracts and business relationships.

Within the next two weeks, we would like to develop with you a written plan of action addressing each of these areas.

In the interest of clarity and good communication, here are the questions we wish to raise with you:

1. Will the combined WorldCom/MCI Board of Directors and senior decisionmaking staff include minorities? How will they be selected?
2. If the business plan for this merger contemplates firing or laying off workers, what protections will be implemented to insure that these layoffs do not disproportionately target minorities? Will layoff criteria employ an algorithm which incorporates and renews the effects of past employment discrimination?



3. If the merged company will outsource many functions currently performed in-house (e.g. billing and collections), will minority entrepreneurs receive a reasonable share of the outsourced contracts? Will the merged company affirmatively pledge a reasonable share of its contracted business to minority firms?
4. Is the business relationship between MCI and small and minority resellers fair in every respect?
5. When it enters local markets, will the merged company build local switches in minority communities or simply resell the services already provided by the incumbent local exchange company? Will its buildout plans, following the pattern historically employed by many local companies, begin with wealthy suburban and outer ring neighborhoods and end with lower income, inner city communities?
6. Will the merged company offer low and middle income business and residential customers the same range of tariffs and incentives it voluntarily offers to high end customers, or, as so often happens, will "the poor pay more?" Will all tariffs be openly disclosed in lay terms to all customers?
7. Will the level of customer service provided to low and middle income residential customers equal the level of service provided to wealthy residential customers and to business customers?

I would appreciate it if you could supply us with the following information as expeditiously as possible:

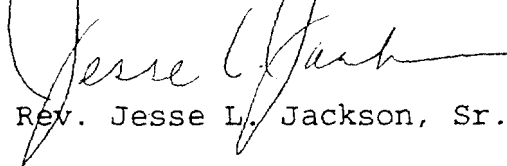
1. the MCI and WorldCom corporate EEO and diversity programs, and their most recent implementation reports;
2. a list of MCI's and WorldCom's senior managers, officers and directors -- that is, persons holding the rank of Vice President and above, and an indication of which of these persons is a minority; and
3. data which would show the nature and extent of trade relationships of both MCI and WorldCom and (a) majority owned entities and (b) minority owned entities, including but not limited to resellers, banks, insurance companies, advertising agencies, law firms, media outlets, and other companies providing goods and services subject to procurement.

Bernard Ebbers  
Bert C. Roberts  
December 12, 1997  
Page Four.

I have arranged for the Rainbow/PUSH Coalition to purchase stock in MCI and WorldCom. We intend to engage other stockholders on the question of whether these companies' economic policies regarding people of color are in the best long term interest of the companies and the country. We have also engaged David Honig, Esq. to represent us, if need be, in connection with the FCC's and Justice Department's review of the merger.

At your earliest convenience, please give me a call at 773-373-3366 so that we may initially address these matters directly.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jesse L. Jackson", written over the typed name.

Rev. Jesse L. Jackson, Sr.

cc: Michael H. Salsbury, Esq.  
Counsel for MCI  
Communications Corporation  
Andrew D. Lipman, Esq.  
Catherine R. Sloan, Esq.  
Counsel for WorldCom, Inc.

## **EXHIBIT D**

BOB GRAHAM  
FLORIDA

United States Senate  
WASHINGTON, DC 20510-0903

COMMITTEES:  
FINANCE  
ENVIRONMENT AND  
PUBLIC WORKS  
VETERANS AFFAIRS  
SELECT COMMITTEE ON  
INTELLIGENCE  
ENERGY AND NATURAL  
RESOURCES

97-17990

CCB  
CC comp  
4/35

June 11, 1997

Mr. Reed Hundt, Chairman  
Federal Communications Commission  
1919 M Street, Northwest #814  
Washington, D.C. 20554

Dear Mr. Chairman:

Enclosed please find a letter from my constituent Mr. Frank Mitchell regarding difficulties that TMB Communications is having with MCI longdistance telephone company. I would appreciate your comments on this situation.

Please reply to my office: 524 Hart Senate Office Building,  
Washington, D.C. 20510; Attention: Mary O'Brien.

Thank you for your prompt attention to this matter.

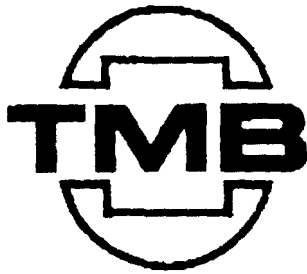
Sincerely,



United States Senator

BG/mo  
enclosure

10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35



June 5, 1997

The Honorable Bob Graham  
United States Senate  
524 Hart Senate Office Building  
Washington D.C. 20510

Attention: Mr. Tom Greene and  
Ms. Mary O' Brien

Dear Senator Graham:

It was a pleasure meeting with you this week. As you recall, TMB Communications Inc., our company, is one of a group of nationwide sales agents. MCI has contracted with us over the years to sell telecommunications services on its behalf in return for an ongoing commission on our customer revenues.

Collectively, agents have brought hundreds of thousands of customers to MCI, while generating jobs and injecting hundreds of millions of dollars into our national and local Florida economies.

We are small entrepreneurs, who invested over two million dollars of capital to partner with a company that we believed would operate with the integrity that its image portrayed.

We now feel a sense of betrayal and anger from our realization that MCI was trying to destroy our small company. We experienced a pattern of treacherous and duplicitous business practices conducted by MCI. Such practices included the improper diversion of customer revenue owed us through misrepresentation, fraud and deceit. MCI has also failed to provide many of our customers with the timely and efficient service levels, discounts and program benefits that they deserved. These practices have not only harmed our customers but have harmed our business reputation as well.

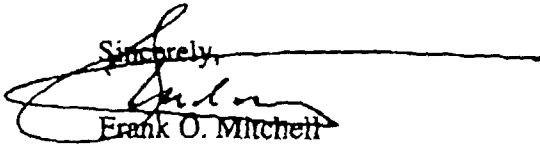
Time and time again, we unsuccessfully appealed to MCI to correct and remedy these practices that are driving us out of business.

Additionally, MCI has set up an obstacle course of procedures, rules and requirements for engaging in legal dispute resolution that makes it virtually impossible for us, as a small business, to achieve due process.

We understand that the 1996 Telecommunications Act empowers the Federal Communications Commission (FCC) to eliminate market entry barriers for entrepreneurs and other small businesses like us. Clearly the pattern and practices of MCI toward TMB and to other agents as well, is not within the spirit of that legislation.

We are appealing to you as our public trust to raise these issues in a letter to MCI with a copy to the Federal Communications Commission. A suggested draft is enclosed for your convenience. The FCC is now reviewing the proposed merger of MCI and British Telecom. An approval would allow for the creation of a global telecommunications giant. We believe that it is the obligation of the public trust to ensure that the rights of these two merger candidates to pursue the benefits of the 1996 Telecommunications Act are not achieved at the expense of the rights of smaller constituents such as ourselves.

Sincerely,



Frank O. Mitchell

TMB Communications Inc.,  
P.O. Box 161669  
Altamonte Springs, Florida 32716

## **EXHIBIT E**

JOHN L. MICA  
7TH DISTRICT, FLORIDA

COMMITTEE ON GOVERNMENT REFORM  
AND OVERSIGHT  
CHAIRMAN, SUBCOMMITTEE ON CIVIL SERVICE  
SUBCOMMITTEE ON NATIONAL SECURITY,  
INTERNATIONAL AFFAIRS AND CRIMINAL JUSTICE  
COMMITTEE ON TRANSPORTATION  
AND INFRASTRUCTURE  
SUBCOMMITTEE ON SURFACE TRANSPORTATION  
SUBCOMMITTEE ON RAILROADS

97-19155

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0907**

July 7th, 1997

REPLY TO  
☒ 106 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-4035  
☐ 1211 SEMORAN BLVD.  
SUITE 117  
CASSELBERRY, FL 32707  
(407) 657-8080  
☐ 840 DELTONA BLVD.  
SUITE G  
DELTONA, FL 32725  
(407) 860-1499  
☐ 1396 DUNLAWTON AVE.  
SUITE 2B  
PORT ORANGE, FL 32127  
(904) 756-9798  
email: john.mica@mail.house.gov

Mr. Reed E. Hundt, Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Dear Chairman Hundt:

Enclosed please find a copy of a letter from one of my constituents, Frank O. Mitchell. As you can see, he is concerned about the patterns and practices of MCI toward TMB.

I would appreciate your investigation of this matter. Please respond directly to my constituent at the address listed below. Thank you for your cooperation in this matter.

With my regards and best wishes, I remain,

Sincerely,

John Mica  
Member of Congress

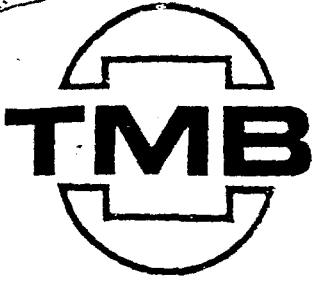
Enclosure

cc: Frank O. Mitchell  
TMB Communications Inc.,  
P.O. Box 161669  
Altamonte Springs, Florida 32716

CEP  
CR  
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10 JUL 11 1997





June 5, 1997

Previously Filed

The Honorable John L. Mica  
United States House of Representatives  
106 Cannon House Office Building  
Washington D.C. 20515

Attention: Ms. Sharon Pinkerton

Dear Congressman Mica:

It was a pleasure meeting with you this week. As you recall, TMB Communications Inc., our company, is one of a group of nationwide sales agents. MCI has contracted with us over the years to sell telecommunications services on its behalf in return for an ongoing commission on our customer revenues.

Collectively, agents have brought hundreds of thousands of customers to MCI, while generating jobs and injecting hundreds of millions of dollars into our national and local Florida economies.

We are small entrepreneurs, who invested over two million dollars of capital to partner with a company that we believed would operate with the integrity that its image portrayed.

We now feel a sense of betrayal and anger from our realization that MCI was trying to destroy our small company. We experienced a pattern of treacherous and duplicitous business practices conducted by MCI. Such practices included the improper diversion of customer revenue owed us through misrepresentation, fraud and deceit. MCI has also failed to provide many of our customers with the timely and efficient service levels, discounts and program benefits that they deserved. These practices have not only harmed our customers but have harmed our business reputation as well.

Time and time again, we unsuccessfully appealed to MCI to correct and remedy these practices that are driving us out of business.

Additionally, MCI has set up an obstacle course of procedures, rules and requirements for engaging in legal dispute resolution that makes it virtually impossible for us, as a small business, to achieve due process.